

TENNESSEE REGULATORY AUTHORITY



Ron Jones, Chairman
Deborah Taylor Tate, Director
Pat Miller, Director
Sara Kyle, Director

460 James Robertson Parkway
Nashville, Tennessee 37243-0505

DELIVERED VIA US POSTAL SERVICE AND FACSIMILE

November 23, 2005

Mr. Dennis Bollinger
Director of Clean Fuel Projects
Energy Systems Group, LLC
4655 Rosebud Lane
Newburgh, IN 47630

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T.R.A. DOCKET ROOM

RE: Docket No. 05-000244 – Application of ESG Pipeline (JC), LLC for a Certificate of Convenience and Necessity to Operate a Processed Methane Gas Distribution System in Johnson City, TN

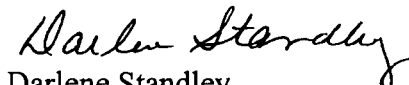
Dear Mr. Bollinger:

To enable Staff to complete its investigation of ESG Pipeline, LLC's application for a Certificate of Convenience and Necessity (CCN) to construct and operate a methane pipeline distribution system in Johnson City, Tennessee, please provide additional information as outlined on the attached Staff Data Request.

It is requested that this information be provided no later than 2:00 P.M. on Friday, December 2, 2005 and that you reference Docket No. 05-00244 on the response. In accordance with TRA rules, submit either thirteen (13) written copies of your response or five (5) written copies and an electronic version.

Should you have any questions regarding this request, please contact Patsy Fulton at 615-741-2904 ext. 193 or Pat Murphy at ext. 178 for clarification before responding.

Sincerely,


Darlene Standley
Chief
Utilities Division

Enclosure
Pm05-63

C: Chairman Ron Jones
Henry Walker
Hal Novak
Glynn Blanton

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ESG PIPELINE (JC), LLC
DOCKET NO. 05-00244

APPLICATION FOR CCN TO CONSTRUCT AND OPERATE A PIPELINE
DISTRIBUTION SYSTEM TO DELIVER PROCESSED METHANE GAS

STAFF DATA REQUEST – NOVEMBER 23, 2005

When responding to the following questions, please repeat the question number and question, followed by the Company's response.

FINANCIAL:

1. Provide copies of the financing agreements in place that will provide ESG Pipeline the funding for the build-out and maintenance of the pipeline. If the financing agreements are not in place, provide the date these agreements will be executed and furnish a copy of the agreements to the Authority as soon as available.

PIPELINE SAFETY:

The following questions are a follow up to responses provided by ESG to Staff's data requests dated October 13, 2005.

2. **Question 17** Will any portion of the proposed pipeline be located above ground? If so, will this section be constructed of HDPE or other material?
3. **Question 19** Will cathodic protection be applied to the tracer wire? If yes, what type of protection will be applied?
4. **Question 20** Regarding gas analysis:
 - a. What type of gas analysis is being performed on the gas delivered to the end user?
 - b. Are the piping materials compatible with the gas constituents?
 - c. Do the gas constituents pose any potential hazard to personnel (i.e. H₂S)?
 - d. Is or will a report regarding the gas analysis be available for our review? If a report is now available, please provide.
5. **Question 21** Regarding odorization of gas:
 - a. Please explain what type of electronic monitoring will be employed regarding odorization.
 - b. Will the monitoring be based upon the weight of remaining odorant, odorant injection rate or chemical analysis?
 - c. Will an odorometer be used to sample the gas?

6. **Question 23** What will be the design pressure of the pipeline when operating at 120 degrees Fahrenheit? Please refer to 49 CFR Part 192.121.
7. **Question 26** Please clarify your answer pertaining to the Maximum Allowable Operating Pressure (MAOP) of the pipeline. Refer to 49 CFR Part 192.123 (e) regarding limitations on HDPE pipeline pressures. What is the proposed side dimension ratio (SDR) of the proposed HDPE pipeline?
8. **Question 27** Is this your proposed MAOP?
9. **Question 28** Where are the Mountain Home Energy Center and Diversified Energy Services, Inc. personnel located? How quickly can they respond to perform pipeline repairs or to an incident that may occur during and after normal working hours including weekends?